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No. 970—L. C., dated Bangalore, the 10th November 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to amend the Mysore Paper Currency Act, 1919 is published for general information with the statement of objects and reasons.

By Order,

A. SUNDARARAJA RAO,

Secretary,
Mysore Legislative Council.

Bill to Amend the Mysore Paper Currency Act, 1919.

Whereas it is necessary to amend the Mysore Paper Currency Act, 1919; it is hereby enacted as follows :—

1. (1) This Act may be called the Mysore Paper Currency (Amendment) Act, 193....

(2) It shall come into force at once.

(3) The Mysore Paper Currency (Amendment) Emergency Act, XIX of 1938, is hereby repealed.

2. In section 2 of the Mysore Paper Currency Act, 1919, after the words " British India " the following shall be inserted, namely :—

" or a bank note issued by the Reserve Bank of India under the Reserve Bank of India Act, 1934, so long as such bank note is legal tender in British India."

Statement of objects and reasons.

Under the Mysore Paper Currency Act, 1919 a currency note issued under any Indian Paper Currency Act shall be legal tender in the State. Till now currency notes were being issued by the Government of India under the Indian Paper Currency Act. After the establishment of the Reserve Bank of India, under the Reserve Bank of India Act, 1934, that Bank has been empowered to issue bank notes in British India and also to issue currency notes of the Government of India supplied to it by the Governor-General in Council. The Bank has commenced issuing bank notes and they are in circulation now.

Section 2 of the Mysore Paper Currency Act, 1919, makes only currency notes under the Indian Paper Currency Act for the time being in force in British India to be legal tender. The bank notes of the Reserve Bank would not come under it and they would not be legal tender in Mysore. To make the Reserve Bank notes legal tender in the State it is necessary to amend the Mysore Paper Currency Act, 1919. As the Reserve Bank notes were already in circulation, an amendment of the Mysore Paper Currency Act was passed as an emergency measure. It will have force only for six months. It is now proposed to place the amendment permanently on the Statute Book.

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